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RAND INTERNATIONAL, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

RAND INTERNATIONAL, INC.,

Plaintiff,

v.

LUCASFILM LTD.,

Defendant.

Case No. CV-08 -3897-JSW

~~[PROPOSED]~~ STIPULATED
PERMANENT INJUNCTION,
DISMISSAL OF CLAIMS, AND
ORDER

Hon. Jeffrey S. White

LUCASFILM LTD.,

Cross-Complainant,

v.

RAND INTERNATIONAL, INC.,

Cross-Defendant.

BACKGROUND

On August 14, 2008, Plaintiff and Cross-Defendant Rand International, Inc. ("Rand") filed an action against Defendant and Cross-Complainant Lucasfilm Ltd. ("Lucasfilm") (collectively, the "Parties"), alleging breach of contract, tortious interference with contract, and violation of California Business & Professions Code section 17200, in connection with Lucasfilm's termination of a non-exclusive Merchandise License Agreement entered into by and between the Parties as of October 1, 2007 (the "License Agreement") and attached herein as Exhibit A. On August 14, 2008, Rand also filed an application for a temporary restraining order and preliminary injunction seeking reinstatement of the License Agreement (the "Application"). On August 22, 2008, the Court heard Rand's Application. On October 9, 2008, Lucasfilm filed a Cross-Complaint against Rand, alleging trademark infringement, violation of unfair competition laws, and deceptive, false, and misleading advertising.

Without admitting wrongdoing, the Parties have entered into a settlement agreement which includes entry of this Stipulated Permanent Injunction and Dismissal (the "Stipulated Injunction"), in order to avoid the need for further costly litigation between them.

STIPULATED INJUNCTION

In consideration of, and in reliance on the foregoing, Lucasfilm and Rand stipulate to the entry of an order as follows:

1. All terms not defined herein shall have the meaning ascribed to them as set forth in License Agreement, a true and correct copy of which is attached hereto as Exhibit A.

2. Until January 14, 2009, Rand shall be permitted to dispose of the following already manufactured units of Licensed Products:

(a) SW-2000 Star Wars Skateboard (16,944 units);

(b) SW-5045 Star War Disc W/Launch (186,612 units);

(c) SW-5031 Star Wars Bubble Set (44,916 units);

(d) SW-977 Helmets w/pad sets (9,800 units);

(e) SW-99110 Mints (32,256 units); and

(f) SW-4010 Star Wars Toy Skate Combo (15,588 units).

(The “Limited Right to Sell-Off.”) Rand shall also be permitted to dispose of up to (a) 145,000 units of the SW-6600 Star Wars Children’s Quad (the “Quads”), until December 31, 2008 pursuant to firm orders for shipment; and (b) 35,000 units of the SW-5 Star Wars Three-Wheel Scooter until January 14, 2009 pursuant to firm orders for shipment.

3. Notwithstanding the terms of Clause I(2)(a) of the License Agreement, Rand shall pay Lucasfilm a royalty on Quads products sold under the Limited Right to Sell-Off as provided under the terms of the Settlement Agreement and Release entered into by and between the Parties. With respect to all other License Products sold under the Limited Right to Sell-Off, Rand shall pay to Lucasfilm the Royalties owed under the License Agreement.

4. Rand’s Limited Right to Sell-Off is expressly conditioned upon Rand complying with all terms of the Settlement Agreement and Release entered into by and between the Parties, and all terms of the License Agreement, including Rand’s obligation to pay royalties under the License Agreement.

5. Except as otherwise provided under the Limited Right to Sell-Off, Rand shall not have any right to sell or otherwise distribute any Licensed Products, including bicycles and folding scooters, remaining in Rand’s possession, custody or control.

6. Pursuant to 15 U.S.C. § 1116, and except as otherwise provided under the Limited Right to Sell-Off, Rand, its successors, officers, parents, subsidiaries, affiliates, agents, assigns and employees, and anyone acting in concert with or at the behest or direction of Rand, jointly and severally, are hereby PERMANENTLY ENJOINED AND RESTRAINED from the following:

1 (a) Distributing, displaying, marketing, promoting, offering for sale, and/or selling
2 any goods or services using Lucasfilm's Licensed Property;

3 (b) Disseminating any products, promotional materials, advertisements, point of sale
4 materials, signage or other materials containing or incorporating Lucasfilm's Licensed Property;
5 and

6 (c) Representing directly or indirectly in any form or manner whatsoever, that Rand's
7 products or services are in fact the same as or related to any services or products of Lucasfilm, or
8 are in any manner associated with, sponsored, or approved by Lucasfilm, or taking any action
9 likely to cause confusion, mistake or deception on the part of purchasers as to the source, origin,
10 sponsorship, approval or affiliation of Rand's products or service or Rand's services and
11 products.

12 7. This Stipulated Injunction applies to all manufacturing, marketing, distribution,
13 sale, or promotion of any Rand product in the United States, Canada, and all territories in which
14 the trademarks, tradenames, servicemarks, servicenames, and copyrights owned by Lucasfilm are
15 recognized as property of Lucasfilm under such territory's applicable trademark and intellectual
16 property laws.

17 8. The injunction contained herein shall take effect upon the Court's entry of this
18 Stipulated Injunction.

19 9. There shall be no bond in connection with this Stipulated Injunction.
20

21 **DISMISSAL**

22 Pursuant to Federal Rule of Civil Procedure 41(a)(2) and 41(c), the Parties, by and
23 through their respective counsel, stipulate and request that the Court dismiss, with prejudice, all
24 of the claims asserted by Rand in its complaint, and all claims asserted by Lucasfilm in its cross-
25 complaint.
26

1 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.

2 Dated: October 9, 2008

MORRISON & FOERSTER LLP

3
4 By: /s/ Judson E. Lobdell
5 Judson E. Lobdell

6 Attorneys for Defendant
7 LUCSASFILM LTD.

8 Dated: October 9, 2008

KELLEY DRYE & WARREN

9
10 By: /s/ Jonathan Cooperman
Jonathan Cooperman

11 Attorneys For Plaintiff
12 RAND INTERNATIONAL, LLC.

13 GENERAL ORDER 45 ATTESTATION

14 I, Geoffrey Graber, am the ECF User whose ID and password are being used to file this
15 [Proposed] Stipulated Permanent Injunction, Dismissal of Claims, and Order. In compliance with
16 General Order 45, X.B., I hereby attest that Judson Lobdell and Jonathan Cooperman have
17 concurred in this filing.

18 Dated: October 9, 2008

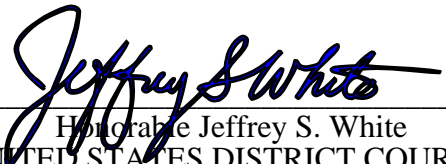
MORRISON & FOERSTER LLP

19 By: /s/ Geoffrey Graber
20 Geoffrey Graber

21 PURSUANT TO STIPULATION, IT IS SO ORDERED.

22
23 This Court retains jurisdiction of this matter for purposes of enforcing this Order but otherwise all
24 claims asserted by Rand in its complaint, and all claims asserted by Lucasfilm in its cross-
25 complaint are dismissed with prejudice.

26
27 Dated: October 10, 2008


Honorable Jeffrey S. White
UNITED STATES DISTRICT COURT